

A close-up portrait of an older man with grey hair and a mustache, wearing a dark blue polo shirt. He is looking slightly to the right with a gentle expression. The background is a soft-focus outdoor scene with green grass and a blue sky.

Making  
Choices Today  
*to*  
Secure

*tomorrow*

Planning for  
long-term care





*s t a r t*

*with a*

## Conversation

The first step toward successful long-term care planning is to simply talk. Reach out to your spouse, children and other loved ones and tackle what can be a difficult subject. We all have expectations about our future and the role we'll play in each other's lives.

Misunderstandings can breed anger, disappointment, guilt and confusion. All of these can be avoided by airing expectations honestly and completely. Don't be afraid to ask what are understandably sensitive questions — the answers will be vital to your planning process.

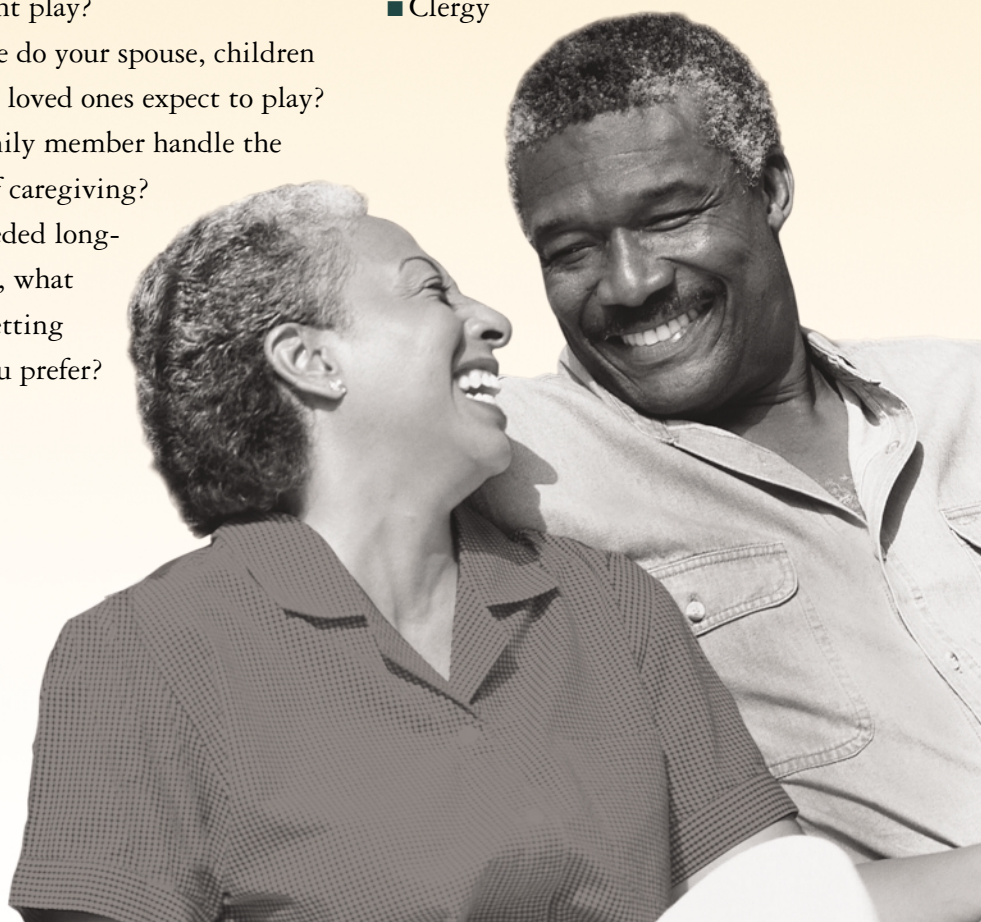
- Where and how do you want to spend your retirement years?
- What are your wishes regarding long-term care?
- What role would you hope your spouse, children and other loved ones might play?
- What role do your spouse, children and other loved ones expect to play?
- Can a family member handle the burden of caregiving?
- If you needed long-term care, what kind of setting would you prefer?

- What financial resources or insurance coverages are in place or might be put in place?

Since the cost of long-term care insurance is more affordable when you are younger and the possibility of qualifying for coverage is greater when you are healthy, long-term care insurance should be considered sooner rather than later.

In addition to talking to family and friends, speak to trusted professionals about your options and wishes. Rely on their expertise to wisely guide you in your planning process. Some sources might include:

- Financial Planner
- Insurance Agent
- Accountant
- Estate Lawyer
- Doctor
- Clergy





for a **Planning**  
**Positive**  
*future*

You've spent most of your life caring for others — safeguarding your family, building a nest egg, raising and educating your children, and playing a supportive role as grandparent, aunt or uncle. Retirement — a chance to enjoy the future you've built — is the reward you've earned. And with good planning, there's every reason to cherish your retirement and the promise it holds.

Today's realities, however, insist that retirement planning be more comprehensive than building a portfolio, pension or social security account. A serious issue facing all of us is the need to plan for the possibility of long-term care. Half of all Americans age 65 and older will require some long-term care<sup>1</sup> — an unfortunate reality that takes an enormous toll on families, emotions and bank accounts. But this challenge can be addressed through good planning.

*Half of all Americans  
age 65 and older will require  
some long-term care.<sup>1</sup>*

*Long-term care is the assistance needed over an extended period of time to manage, rather than cure, a chronic condition, such as arthritis, stroke or dementia, or the frailties of aging or accidents. Caregiving can include help with eating, dressing, bathing and other personal care.*

<sup>1</sup> Health Care Financing Administration 1997 Statistics

# A Look at the numbers

Modern medicine and improved health have given us the gift of unprecedented longevity. With that, however, we are challenged to plan ahead to assure we live those years with quality and dignity. At some point, we may require assistance to perform those functions that today we take for granted. Putting long-term care in perspective, half the people who read this brochure will need such care in the future. And that care can be expensive.

- In California, nursing facility costs average \$51,100 a year in 2002, a cost that is expected to average \$55,000 in 2003 <sup>1</sup>
- 35 percent of individuals who enter a nursing facility will stay between one and five years <sup>2</sup>

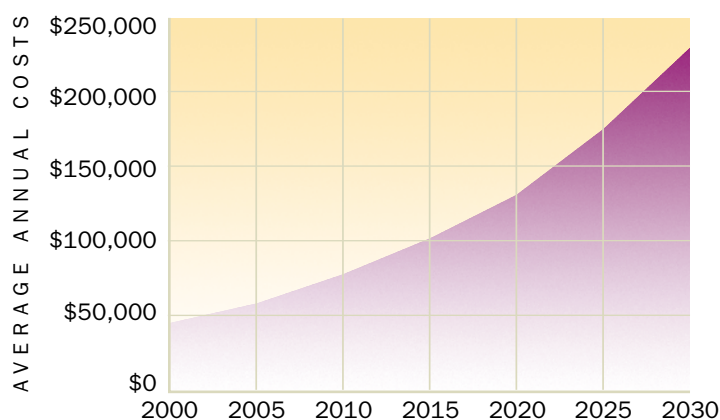
- Older women spend more years and a larger percentage of their lifetime disabled; they are nearly twice as likely to reside in a nursing home <sup>3</sup>
- 53 percent of those needing long-term care assistance are working-age adults (18 to 64 years of age), while 47 percent are age 65 and older <sup>4</sup>
- Medicare pays little, if any, long-term care

Before entering a care facility, many individuals will have struggled for years with the cost of long-term care in their own homes with paid and unpaid caregivers.

Very little, if any, long-term care is covered under health, disability or Medicare supplemental insurance policies. Medi-Cal will pay for the costs of care, but only after most of your assets have been depleted and typically only in a nursing facility.

***Clearly, your financial planning isn't complete without seriously addressing the issue of long-term care.***

## Average Projected Cost of Nursing Facilities



Source: 2002 California Partnership for Long-Term Care projections based on data from the California Office of Statewide Health Planning and Development and a 5% annual increase.

<sup>1</sup> California Partnership for Long-Term Care

<sup>2</sup> National Center for Policy Analysis, "A Long-Term Solution to a Medicaid Problem," November 17, 1995

<sup>3</sup> The U.S. Administration on Aging, Older Americans Fact Sheet, May 2000

<sup>4</sup> Medi-Cal Policy Institute, "Understanding Medi-Cal: Long Term Care," 2001

t h e

## Partnership *solution*

The complexity of long-term care issues, in addition to the varying personalities, personal resources and cultural values of every Californian, dictate a host of different approaches to this important subject.

One solution, supported by the California Department of Health Services, is the California Partnership for Long-Term Care (the Partnership). Established in 1994, the Partnership is a revolutionary program designed to help Californians successfully address long-term care issues.

The Partnership works with select private insurance carriers, who meet stringent standards set by the State of California, to develop unique insurance policies that can help protect you and your family from the devastating costs and hardships associated with long-term care. All policies approved by the Partnership contain vital features necessary for high quality long-term care insurance coverage. Some of the policy features required to be in all Partnership policies include:

- Built-in automatic inflation protection of 5 percent annually to keep up with the rising cost of long-term care.
- Care coordination and monitoring by licensed health care professionals independent of the insurance company to develop a plan of care based on your individual needs and resources.

- Once in a lifetime deductible, so that if you stop using policy benefits and then need to use them again, you will not have to pay a second deductible.
- Waiver of premium for all days your policy pays for care in a nursing or residential care facility.
- Flexibility on the use of home and community-based benefits.
- Medi-Cal Asset Protection to ensure a portion of your assets are protected should you need to rely on Medi-Cal. This feature can make your insurance more affordable.

When selecting your Partnership policy, you have the choice of purchasing a comprehensive policy that provides coverage for care at home, in a nursing facility or in a residential care facility, or a policy that provides care in a facility only.





t h e  
Next

s t e p



Call the California Partnership for Long-Term Care today. The Partnership can provide you with information key to your long-term care planning. A comprehensive brochure detailing special Partnership policy features is available free of charge. To receive a copy, call the California Partnership for Long-Term Care at (800) CARE-445 or contact a Partnership-authorized long-term care insurance agent. The brochure is also available online through the Partnership Web site at [www.dhs.ca.gov/cpltc](http://www.dhs.ca.gov/cpltc).

The following is a list of private participating insurance companies and CalPERS that provide Partnership-certified long-term care policies:

**Bankers Life and Casualty**

(888) 2828-BLC

**CNA Insurance**

(800) 262-0348

**GE Financial Assurance**

(800) 354-6896

**John Hancock Life Insurance Company**

(800) 377-7311

**New York Life Insurance**

(800) 224-4582

**Transamerica Occidental Life Insurance Company**

(800) PYRAMID

**CalPERS Long-Term Care Program\***

(800) 205-2020

*\*All California public employees, retirees and their spouses, siblings (age 18 and older), parents and parents-in-law are eligible to apply. Call CalPERS for application period dates.*



P.O. Box 942732  
Sacramento, CA 94234-7320  
1-800-CARE-445  
[www.dhs.ca.gov/cpltc](http://www.dhs.ca.gov/cpltc)

The California Department of Aging's Health Insurance Counseling and Advocacy Program (HICAP) has trained, impartial volunteer counselors available to meet with you to discuss your long-term care needs and to help you with questions you may have. You may call HICAP at (800) 434-0222. Appointments and consultations are free of charge.



**Gray Davis**

*Governor*

*State of California*

**Grantland Johnson**

*Secretary*

*Health and Human Services Agency*

**Diana M. Bontá, R.N., Dr.P.H.**

*Director*

*Department of Health Services*